

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

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|--------------------------------------|---|--------------------------------|
| DIGITAL MEDIA SOLUTIONS, LLC, |) | CASE NO. 1:19-cv-145 |
| |) | |
| Plaintiff, |) | JUDGE DAN AARON POLSTER |
| |) | |
| v. |) | |
| |) | |
| SOUTH UNIVERSITY OF OHIO, |) | |
| LLC, <i>et. al.</i>, |) | |
| |) | |
| Defendants. |) | |

Motion to Approve Distribution Per Settlement Agreement

As this Court is keenly aware, the Receivership of the Dream Center entities began with the filing of a Complaint on January 18, 2019, by Digital Media Solutions (ECF No. 1), and the Receiver appointed later that day (ECF No. 8).¹ After several attempts, and thanks to this Court’s efforts, the Receiver and key stakeholders reached a settlement of the Receiver’s claims against certain former officers and directors in July 2024. The Court approved the parties’ formal settlement agreement on November 4, 2024 (ECF No. 852)(the “Settlement”).

¹ The Receivership Entities include (i) South University of Ohio LLC; (ii) Dream Center Education Holdings, LLC; (iii) The DC Art Institute of Raleigh-Durham LLC; (iv) the DC Art Institute of Charlotte LLC; (v) DC Art Institute of Charleston, LLC; (vi) DC Art Institute of Washington LLC; (vii) The Art Institute of Tennessee - Nashville LLC; (viii) AiTN Restaurant LLC; (ix) The Art Institute of Colorado LLC; (x) DC Art Institute of Phoenix LLC; (xi) The Art Institute of Portland LLC; (xii) The Art Institute of Seattle LLC; (xiii) The Art Institute of Pittsburgh, DC LLC; (xiv) The Art Institute of Philadelphia, DC, LLC; (xv) DC Art Institute of Fort Lauderdale LLC; (xvi) The Illinois Institute of Art LLC; (xvii) The Art Institute of Michigan LLC; (xviii) The Illinois Institute of Art at Schaumburg LLC; (xix) DC Art Institute of Phoenix, LLC, and its direct subsidiaries (xx) the Art Institute of Las Vegas LLC; (xxi) the Art Institute of Indianapolis, LLC; (xxii) AiIN Restaurant LLC; (xxiii) Dream Center Argosy University of California LLC, and its direct subsidiaries; (xxiv) Argosy Education Group LLC; (xxv) Dream Center Education Management LLC; and (xxvi) South University of Michigan LLC

Thereafter, those parties obligated under the Settlement paid the Receiver the sums due thereunder. As required by the Settlement, the Receiver has held those funds in escrow pending this Court's Order allowing him to make a distribution. The Settlement conditioned the distribution of those funds upon four things: (1) final approval of the settlement itself; (2) the Court's approval of the Medical Payment Plan; (3) The Court's approval of the Liquidation Litigation Trust (the "Trust"); and (4) the Illinois District Court's approval of the Dunagan Settlement in the Dunagan Final Order. (ECF No. 846-2, ¶6).² Collectively, the Settlement referred to the contingencies collectively as the "Release Contingencies." The Receiver is pleased to inform the Court that each of the Release Contingencies has now been satisfied.

First, as noted above, this Court approved the Settlement in November of last year (ECF No. 852). Second, the Court approved the Medical Payment Plan on November 13, 2024 (ECF No. 854). Third, the Court approved the Liquidation Litigation Trust on November 18, 2024 (ECF No. 858). Fourth, the Illinois District Court's Order final approval of the Dunagan class action settlement was entered on February 3, 2025 (*Dunagan* ECF No. 324), and has not been appealed, thereby making it a final, non-appealable order as of today, March 6, 2025.

Now that the *Dunagan* matter is resolved via final order, and all Release Contingencies are satisfied, it is time to make the distribution(s) contemplated in the Settlement. As directed by the Settlement, all funds would flow to the Trust to be distributed thereunder. Yet, Paragraph 6 of the Settlement required an order of this Court to make the requisite distribution(s) to the Trust for delivery to the ultimate

² The Dunagan putative class action was captioned *Emmanuel Dunagan, et al. v. Illinois Institute of Art-Chicago, LLC, et al.*, N.D. Illinois Case No. 1:19-cv-809.

beneficiaries. (ECF No. 846-2, ¶6). Once the Trust is in possession of the settlement funds, its Section 3.2 directs which sums are to be paid to which beneficiaries or held for future Trust expenses (ECF No. 848-1).

Since the Release Contingencies are now satisfied, and the Receiver holds the settlement funds in escrow, he therefore moves this Court for an Order authorizing him to transfer the funds he currently holds in escrow to account(s) held in the name of the Litigation Liquidation Trust for distribution per the terms thereunder.

Dated: March 6, 2025

Respectfully submitted,

/s/ Mary K. Whitmer

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CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of March, 2025, a copy of the foregoing was filed electronically with the Court, and served consistent with the Court's Order of October 8, 2024 (Dkt. No. 845).

Respectfully submitted,

/s/ Hugh D. Berkson

Hugh D. Berkson (0063997)